

Message Text

UNCLASSIFIED

PAGE 01 STATE 067507

ORIGIN EB-08

INFO OCT-01 ISO-00 AF-08 ARA-10 EA-09 EUR-12 NEA-10
STR-04 SIG-02 MMO-04 FEA-01 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 FRB-01 H-02 INR-07 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-02 AID-05 SS-15
ITC-01 TRSE-00 USIA-15 PRS-01 SP-02 OMB-01 IO-13
/152 R

DRAFTED BY EB/OT/GCP - MBAAS
APPROVED BY EB/OT/GCP - SAHMAD
NEA/RA - D MORRISON
EA/EP - MHENDERSON
AF/EPS - DMCCLELLAN
EUR/RPE - , MCLEAN
ARA/ECP - WBURSON
STR - SLANDE

-----262020Z 128241 /50

R 260312Z MAR 77

FM SECSTATE WASHDC

TO ALL DIPLOMATIC AND CONSULAR POSTS

UNCLAS STATE 067507

INFORM CONSULS

E.O. 11652: N/A

TAG: ETRD

SUBJECT: GSP: FIRST YEAR REVIEW

1. THIS MESSAGE IS FOR INFORMATION FOR POSTS IN NON-
GSP BENEFICIARY COUNTRIES.

2. THE TRADE POLICY STAFF COMMITTEE IS CURRENTLY
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 067507

BEGINNING A REVIEW OF THE FIRST YEAR'S OPERATION OF GSP.
REVIEW WILL TRY TO ANALYZE FIRST YEAR'S RESULTS, PINPOINT
ANY PROBLEM AREAS, AND CONSIDER VARIOUS METHODS TO
ELIMINATE PROBLEM AREAS AND OTHERWISE IMPROVE THE PROGRAM.
IN ADDITION THE HOUSE WAYS AND MEANS SUBCOMMITTEE ON
TRADE MAY HOLD HEARINGS ON THE GSP PROGRAM IN THE NEAR
FUTURE. IT WOULD BE VERY USEFUL FOR TPSC AND THE SUB-

COMMITTEE TO HAVE OBSERVATIONS FROM POSTS IN BENEFICIARY COUNTRIES ON THE RESULTS OF FIRST YEAR OF GSP IN THEIR COUNTRY. AND AMY PROBLEMS ENCOUNTERED. DEPARTMENT IS POUCHING STATISTICS OF HOST COUNTRY EXPORTS OF GSP PRODUCTS TO US IN 1976 WHICH HAVE JUST BECOME AVAILABLE FOR USE IN THIS STUDY. HOWEVER, AS THEY MIGHT NOT ARRIVE AT POSTS FOR SOMETIME, WE WOULD APPRECIATE ANY PRELIMINARY THOUGHTS YOU MIGHT HAVE BY APRIL 8 IN ORDER TO USE IN OUR

INITIAL CONSIDERATION OF THESE SUBJECTS. ANY FURTHER INFORMATION YOU MAY WISH TO SUPPLY AFTER STUDYING THE STATISTICS WOULD BE WELCOME.

3. TPSC IS INTERESTED IN OPINIONS OF HOST GOVERNMENT, EXPORTERS AND EMBASSY AS TO WHETHER OR NOT GSP WAS BENEFICIAL, WHETHER EXPORTS TO US INCREASED, WHETHER ANY NEW INVESTMENT IS PLANNED OR WAS UNDERTAKEN IN ORDER TO BENEFIT FROM GSP, AND WHETHER NEW, "NON-TRADITIONAL" PRODUCTS WERE EXPORTED TO US AS A RESULT OF GSP. WE WOULD ALSO BE INTERESTED IN OPINIONS AS TO WHY OTHERWISE ELIGIBLE PRODUCTS DID NOT RECEIVE GSP BENEFITS (SEE DISCUSSION BELOW ON STATISTICS). WAS IT BECAUSE OF IGNORANCE OF PROGRAM, INABILITY TO MEET THE 35 PERCENT VALUE ADDED REQUIREMENTS, INABILITY TO PROVIDE FORM A, PROBLEMS WITH DIRECT SHIPMENT, FACT THAT TARIFF LOW ANYWAY SO EXTRA PAPER WORK REQUIRED FOR GSP WASN'T WORTH IT, OR OTHER REASON? OTHER AREAS WHERE COMMENT WOULD BE USEFUL TO TPSC WOULD BE THE EFFECT OF GSP ON THE ECONOMY AND VOLUME OF TRADE
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 067507

OF THE HOST COUNTRY, AND WHETHER GSP HAS LED OR IS LEADING TO THE ESTABLISHMENT OF TRADE PATTERNS RESULTING IN INCREASED AMERICAN EXPORTS? ANY AVAILABLE COMPARISONS OF HOST COUNTRY USE OF US GSP AND THAT OF OTHER COUNTRIES WOULD BE HELPFUL. POSTS WHERE HOST COUNTRIES HAVE PREFERENTIAL ARRANGEMENTS WITH EV (E.G. LOME AGREEMENT) MAY ALSO WISH TO COMMENT ON RELATIVE IMPORTANCE OF THOSE PREFERENCES COMPARED TO US OR OTHER DC'S GSP.

4. STATISTICS BEING SENT TO EACH BENEFICIARY COUNTRY INCLUDE ALL PRODUCTS THAT WERE ELIGIBLE FOR GSP THAT WERE IMPORTED BY US FROM THE COUNTRY IN 1976, WHETHER OR NOT PRODUCT RECEIVED GSP TREATMENT. FOLLOWING EXPLANATION SHOULD BE READ IN CONJUNCTION WITH STATISTICS WHEN RECEIVED. IF THERE IS NO SYMBOL FOLLOWING THE TSUS NUMBER, THIS MEANS THAT QUANTITY LISTED UNDER COUNTRY VALUE ENTERED DUTY FREE (I.E. RECEIVED GSP BENEFITS). IF THERE IS AN

ASTERISK FOLLOWING THE TSUS NUMBER THIS MEANS THAT QUANTITY LISTED UNDER COUNTRY VALUE WAS EXCLUDED BY COMPETITIVE NEED IN 1976. IF TSUS NUMBER IS FOLLOWED BY A CAPITAL A, QUANTITY LISTED UNDER COUNTRY VALUE DID NOT RECEIVE GSP BECAUSE OF "OTHER", UNSPECIFIED REASONS (E.G. DID NOT MEET VALUE ADDED REQUIREMENTS, NO FORM A ETC). A PLUS SYMBOL FOLLOWING TSUS NUMBER MEANS THAT PRODUCT WAS NOT PRODUCED IN US ON JANUARY 3, 1975, AND AS A RESULT COMPETITIVE NEED EXCLUSIONS DO NOT APPLY AND ITEM RECEIVED GSP. OBVIOUSLY, MANY TSUS NUMBERS HAVE TWO LINES OF FIGURES - ONE SHOWING AMOUNT THAT

RECEIVED GSP AND ENTERED DUTY FREE, THE OTHER MARKED A SHOWING THAT GSP NOT RECEIVED ON THIS PORTION OF IMPORTS OF THE ITEM. CD 4 MEANS GOODS THAT ENTERED DUTY FREE (OR IN CASE OF LAST YEAR'S DATA, COULD UNCLASSIFIED

UNCLASSIFIED

PAGE 04 STATE 067507

HAVE ENTERED DUTY FREE IF THERE HAD BEEN A GSP). BDC'S ARE BENEFICIARY DEVELOPING COUNTRIES (I.E. COUNTRIES ELIGIBLE FOR GSP.) PCT IS THE PERCENTAGE OF TOTAL US IMPORTS OF THE ITEM THAT CAME FROM THE COUNTRY. AVE IS THE ACTUAL OR EQUIVALENT PERCENTAGE DUTY THAT WOULD BE PAID IF GSP NOT GRANTED (OR BY DEVELOPED COUNTRIES).

5. ONLY OTHER POINT THAT NEEDS TO BE MADE ABOUT THE STATISTICS IS THAT THEY ARE SUBJECT TO ADJUSTMENT, AND THAT THERE ARE SOME ERRORS IN THE PRINT-OUT. HOWEVER, STATISTICS WILL GIVE POSTS A GOOD IDEA OF HOW THEIR COUNTRIES HAVE DONE, AND SHOULD PROVIDE GOOD CLUES AS TO WHERE POSSIBLE PROBLEMS MAY LIE (I.E. WHY DID ONE MILLION DOLLARS OF CERTAIN PRODUCTS NOT BENEFIT FROM GSP?) DATA MAY SHOW THAT SOME ELIGIBLE IMPORTS PAID DUTIES, DUE TO INITIAL PERIOD OF EXPORTER UNFAMILIARITY WITH GSP.
CHRISTOPHER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REPORTS, GENERALIZED PREFERENCES (TARIFFS)
Control Number: n/a
Copy: SINGLE
Sent Date: 26-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE067507
Document Source: CORE
Document Unique ID: 00
Drafter: MBAAS
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770105-0160
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770318/aaaaapqd.tel
Line Count: 158
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 27fc39b1-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 04-Oct-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2985253
Secure: OPEN
Status: NATIVE
Subject: GSP: FIRST YEAR REVIEW
TAGS: ETRD, XX
To: ALL POSTS
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/27fc39b1-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009